

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

CHAPTER 170.

RULES GOVERNING MINIMUM STANDARDS FOR
MEDICARE SUPPLEMENT POLICIES.

14 VAC 5-170-20. Applicability and scope.

A. Except as otherwise specifically provided in 14 VAC 5-170-60, 14 VAC 5-170-110, 14 VAC 5-170-120, 14 VAC 5-170-150 and 14 VAC 5-170-200, this chapter shall apply to:

1. All Medicare supplement policies delivered or issued for delivery in this Commonwealth on or after ~~April 26, 1999~~ September 1, 2001, and

2. All certificates issued under group Medicare supplement policies for which certificates have been delivered or issued for delivery in this Commonwealth.

B. This chapter shall not apply to a policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

14 VAC 5-170-30. Definitions.

For purposes of this chapter (14 VAC 5-170-10 et seq.):

“Applicant” means:

1. In the case of an individual Medicare supplement policy, the person who seeks to contract for insurance benefits, and

2. In the case of a group Medicare supplement policy, the proposed certificateholder.

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“Attained age rating” means a premium structure under which premiums are based on the covered individual’s age at the time of application of the policy or certificate, and for which premiums increase based on the covered individual’s increase in age during the life of the policy or certificate.

“Bankruptcy” means when a Medicare+Choice organization that is not an issuer has filed, or has had filed against it, a petition for declaration of bankruptcy and has ceased doing business in this Commonwealth.

“Certificate” means any certificate delivered or issued for delivery in this Commonwealth under a group Medicare supplement policy.

“Certificate form” means the form on which the certificate is delivered or issued for delivery by the issuer.

“Community rating” means a premium structure under which premium rates are the same for all covered individuals of all ages in a given area.

“Continuous period of creditable coverage” means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual did not have a break in coverage greater than 63 days.

“Creditable coverage” means, with respect to an individual, coverage of the individual provided under any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act of 1935 (Medicare) (42 USC § 1395 et seq.);
4. Title XIX of the Social Security Act of 1935 (Medicaid) (42 USC § 1396 et seq.), other than coverage consisting solely of benefits under § 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS) (10 USC §§ 1071 – 1107);

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6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under the Federal Employees Health Benefits Act of 1959 (5 USC §§ 8901 - 8914);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under § 5(e) of the Peace Corps Act of 1961 (22 USC § 2504(e)).

“Creditable coverage” shall not include one or more, or any combination of, the following:

1. Coverage only for accident or disability income insurance, or any combination thereof;
2. Coverage issued as a supplement to liability insurance;
3. Liability insurance, including general liability insurance and automobile liability insurance;
4. Workers’ compensation or similar insurance;
5. Automobile medical expense insurance;
6. Credit-only insurance;
7. Coverage for on-site medical clinics; and
8. Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.

“Creditable coverage” shall not include the following benefits if they are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of the plan:

1. Limited scope dental or vision benefits;
2. Benefits for long-term care, nursing home care, home health care, community-based care or any combination thereof; and

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3. Such other similar, limited benefits as are specified in federal regulations.

“Creditable coverage” shall not include the following benefits if offered as independent, noncoordinated benefits:

1. Coverage only for a specified disease or illness; and
2. Hospital indemnity or other fixed indemnity insurance.

“Creditable coverage” shall not include the following if it is offered as a separate policy, certificate or contract of insurance:

1. Medicare supplement health insurance as defined under § 1882(g)(1) of the Social Security Act of 1935 (42 USC § 1395ss);
2. Coverage supplemental to the coverage provided under Chapter 55 of Title 10, United States Code (10 USC §§ 1071 – 1107); and
3. Similar supplemental coverage provided to coverage under a group health plan.

“Employee welfare benefit plan” means a plan, fund or program of employee benefits as defined in the Employee Retirement Income Security Act of 1974 (29 USC § 1002).

“Insolvency” means when an issuer, duly licensed to transact an insurance business in this Commonwealth in accordance with the provisions of Chapters 10, 41, 42 or 43 respectively, of Title 38.2 of the Code of Virginia, is determined to be insolvent and placed under a final order of liquidation by a court of competent jurisdiction.

“Issue age rating” means a premium structure based upon the covered individual’s age at the time of purchase of the policy or certificate. Under an issue age rating structure, premiums do not increase due to the covered individual’s increase in age during the life of the policy or certificate.

“Issuer” includes insurance companies, fraternal benefit societies, corporations licensed pursuant to Chapter 42 of Title 38.2 of the Code of Virginia to offer health services plans, health

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maintenance organizations, and any other entity delivering or issuing for delivery in this Commonwealth Medicare supplement policies or certificates.

“Medicare” means the “Health Insurance for the Aged Act,” Title XVIII of the Social Security Amendments of 1965 (Public Law 89-97, 79 Stat. 286 (July 30, 1965)), as then constituted or later amended.

“Medicare+Choice plan” means a plan of coverage for health benefits under Medicare Part C as defined in § 1859, ~~Title IV, Subtitle A, Chapter 1 of Public Law 105-33, (42 USC § 1395w-28(b)(1) of the Social Security Act,~~ and includes:

1. Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans;
2. Medical savings account plans coupled with a contribution into a Medicare+Choice medical savings account; and
3. Medicare+Choice private fee-for-service plans.

“Medicare supplement policy” means a group or individual policy of accident and sickness insurance or a subscriber contract of health service plans or health maintenance organizations, other than a policy issued pursuant to a contract under § 1876 of the federal Social Security Act of 1935 (42 USC § 1395 et seq.) or an issued policy under a demonstration project specified in 42 USC § 1395ss(g)(1), which is advertised, marketed or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical or surgical expenses of persons eligible for Medicare.

“Policy form” means the form on which the policy is delivered or issued for delivery by the issuer.

“Secretary” means the Secretary of the United States Department of Health and Human Services.

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14 VAC 5-170-70. Benefit standards for policies or certificates issued or delivered on or after July 30, 1992.

A. The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this Commonwealth on or after July 30, 1992. No policy or certificate may be advertised, solicited, delivered or issued for delivery in this Commonwealth as a Medicare supplement policy or certificate unless it complies with these benefit standards.

B. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this chapter.

1. A Medicare supplement policy or certificate shall not exclude or limit benefits for a loss incurred more than six months from the effective date of coverage because it involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six months before the effective date of coverage.

2. A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

3. A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with such changes provided that loss ratios are being met.

4. No Medicare supplement policy or certificate shall provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium.

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5. Each Medicare supplement policy shall be guaranteed renewable.

a. The issuer shall not cancel or nonrenew the policy solely on the ground of health status of the individual.

b. The issuer shall not cancel or nonrenew the policy for any reason other than nonpayment of premium or material misrepresentation.

c. If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided under subdivision 5 e of this subsection, the issuer shall offer certificateholders an individual Medicare supplement policy which (at the option of the certificateholder):

(1) Provides for continuation of the benefits contained in the group policy; or

(2) Provides for benefits that otherwise meet the requirements of this subsection.

d. If an individual is a certificateholder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall:

(1) Offer the certificateholder the conversion opportunity described in subdivision 5 c of this subsection; or

(2) At the option of the group policyholder, offer the certificateholder continuation of coverage under the group policy.

e. If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy shall not result in any exclusion for preexisting conditions that would have been covered under the group policy being replaced.

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6. Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits.

7. a. A Medicare supplement policy or certificate shall provide that benefits and premiums under the policy or certificate shall be suspended at the request of the policyholder or certificateholder for the period (not to exceed 24 months) in which the policyholder or certificateholder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act of 1935 (42 USC § 1396 et seq.), but only if the policyholder or certificateholder notifies the issuer of such policy or certificate within 90 days after the date the individual becomes entitled to such assistance.

b. If such suspension occurs and if the policyholder or certificateholder loses entitlement to such medical assistance, the policy or certificate shall be automatically reinstituted (effective as of the date of termination of such entitlement) as of the termination of entitlement if the policyholder or certificateholder provides notice of loss of entitlement within 90 days after the date of loss and pays the premium attributable to the period, effective as of the date of termination of such entitlement.

c. Each Medicare supplement policy or certificate shall provide that benefits and premiums under the policy shall be suspended (for the period provided by federal regulation) at the request of the policyholder if the policyholder or certificateholder is entitled to benefits under § 226 (b) of the Social Security Act(42 USC § 426) and is covered under a group health plan (as defined in § 1862 (b) (1)(A)(v) of the Social Security Act (42 USC § 1395y). If suspension occurs and if the policyholder or

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certificateholder loses coverage under the group health plan, the policy shall be automatically reinstituted (effective as of the date of loss of coverage) if the policyholder or certificateholder provides notice of loss of coverage within 90 days after the date of such loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

e d. Reinstitution of such coverages:

(1) Shall not provide for any waiting period with respect to treatment of preexisting conditions;

(2) Shall provide for coverage which is substantially equivalent to coverage in effect before the date of such suspension; and

(3) Shall provide for classification of premiums on terms at least as favorable to the policyholder or certificateholder as the premium classification terms that would have applied to the policyholder or certificateholder had the coverage not been suspended.

C. Standards for basic (core) benefits common to all benefit plans. Every issuer shall make available a policy or certificate including only the following basic core package of benefits to each prospective insured. An issuer may make available to prospective insureds any of the other Medicare Supplement Insurance Benefit Plans in addition to the basic core package, but not in lieu of it.

1. Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;

2. Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used;

3. Upon exhaustion of the Medicare hospital inpatient coverage including the lifetime reserve days, coverage of the Medicare Part A eligible expenses for hospitalization paid at

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the Diagnostic Related Group (DRG) day outlier per diem or other appropriate standard of payment, subject to a lifetime maximum benefit of an additional 365 days;

4. Coverage under Medicare Parts A and B for the reasonable cost of the first three pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations;

5. Coverage for the coinsurance amount, or in the case of hospital outpatient department services under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

D. Standards for additional benefits. The following additional benefits shall be included in Medicare Supplement Benefit Plans “B” through “J” only as provided by 14 VAC 5-170-80.

1. Medicare Part A deductible. Coverage for all of the Medicare Part A inpatient hospital deductible amount per benefit period.

2. Skilled nursing facility care. Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for posthospital skilled nursing facility care eligible under Medicare Part A.

3. Medicare Part B deductible. Coverage for all of the Medicare Part B deductible amount per calendar year regardless of hospital confinement.

4. Eighty percent of the Medicare Part B excess charges. Coverage for 80% of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

5. One hundred percent of the Medicare Part B excess charges. Coverage for all of the difference between the actual Medicare Part B charge as billed, not to exceed any charge

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limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

6. Basic outpatient prescription drug benefit. Coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible, to a maximum of \$1,250 in benefits received by the insured per calendar year, to the extent not covered by Medicare.

7. Extended outpatient prescription drug benefit. Coverage for 50% of outpatient prescription drug charges, after a \$250 calendar year deductible to a maximum of \$3,000 in benefits received by the insured per calendar year, to the extent not covered by Medicare.

8. Medically necessary emergency care in a foreign country. Coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which care began during the first 60 consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000. For purposes of this benefit, “emergency care” shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.

9. Preventive medical care benefit. Coverage for the following preventive health services:

a. An annual clinical preventive medical history and physical examination that may include tests and services from subdivision 9 b of this subsection and patient education to address preventive health care measures.

b. Any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(1) Digital rectal examination;

(2) Dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

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(3) Pure tone (air only) hearing screening test, administered or ordered by a physician;

(4) Serum cholesterol screening (every five years);

(5) Thyroid function test;

(6) Diabetes screening.

c. Tetanus and Diphtheria booster (every 10 years).

d. Any other tests or preventive measures determined appropriate by the attending physician. Reimbursement shall be for the actual charges up to 100% of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association Current Procedural Terminology (AMA CPT) codes, to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare.

10. At-home recovery benefit. Coverage for services to provide short term, at-home assistance with activities of daily living for those recovering from an illness, injury or surgery.

a. For purposes of this benefit, the following definitions shall apply:

“Activities of daily living” include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings.

“Care provider” means a duly qualified or licensed home health aide or homemaker, personal care aide or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry.

“Home” shall mean any place used by the insured as a place of residence, provided that such place would qualify as a residence for home health care services

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covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence.

"At-home recovery visit" means the period of a visit required to provide at home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit.

b. Coverage requirements and limitations:

(1) At-home recovery services provided must be primarily services which assist in activities of daily living.

(2) The insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare; and

(3) Coverage is limited to:

(a) No more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare approved home health care visits under a Medicare approved home care plan of treatment;

(b) The actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(c) One thousand six hundred dollars per calendar year;

(d) Seven visits in any one week;

(e) Care furnished on a visiting basis in the insured's home;

(f) Services provided by a care provider as defined in this section;

(g) At-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

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(h) At-home recovery visits received during the period the insured is receiving Medicare approved home care services or no more than eight weeks after the service date of the last Medicare approved home health care visit.

c. Coverage is excluded for:

(1) Home care visits paid for by Medicare or other government programs; and

(2) Care provided by family members, unpaid volunteers or providers who are not care providers.

11. New or innovative benefits. An issuer may, with the prior approval of the State Corporation Commission, offer policies or certificates with new or innovative benefits in addition to the benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits may include benefits that are appropriate to Medicare supplement insurance, new or innovative, not otherwise available, cost-effective, and offered in a manner which is consistent with the goal of simplification of Medicare supplement policies.

14 VAC 5-170-90. Medicare select policies and certificates.

A. 1. This section shall apply to Medicare Select policies and certificates, as defined in this section.

2. No policy or certificate may be advertised as a Medicare Select policy or certificate unless it meets the requirements of this section.

3. A Medicare Select issuer subject to these rules is deemed a health carrier responsible for a “managed care health insurance plan ” or “MCHIP” as defined in § 38.2-5800 of the Code of Virginia.

B. For the purposes of this section:

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“Complaint” means any dissatisfaction expressed by an individual concerning a Medicare Select issuer or its network providers.

“Grievance” means dissatisfaction expressed in writing by an individual insured under a Medicare Select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare Select issuer or its network providers.

“Medicare Select issuer” means an issuer offering, or seeking to offer, a Medicare Select policy or certificate.

“Medicare Select policy” or “Medicare Select certificate” mean respectively a Medicare supplement policy or certificate that contains restricted network provisions.

“Network provider” means a provider of health care, or a group of providers of health care, which has entered into a written agreement with the issuer to provide benefits insured under a Medicare Select policy.

“Restricted network provision” means any provision which conditions the payment of benefits, in whole or in part, on the use of network providers.

“Service area” means the geographic area ~~[approved by the State Corporation Commission]~~ within which an issuer is authorized to offer a Medicare Select policy.

C. The State Corporation Commission may authorize an issuer to offer a Medicare Select policy or certificate, pursuant to this section and § 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990 (42 USC § 1395ss(t)) if the State Corporation Commission finds that the issuer has satisfied all of the requirements of this chapter. The State Corporation Commission shall, in lieu of the requirements set forth in subsections D, E, and F of this section, accept a Certificate of Quality Assurance issued by the Virginia Commissioner of Health pursuant to § 32.1-137.2 A of the Code of Virginia, provided that the Virginia Commissioner of Health has issued such a certificate. If the Virginia Commissioner of Health has reviewed the application of the issuer and has denied or disapproved a Certificate of Quality Assurance, or has revoked a

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Certificate of Quality Assurance previously issued, the issuer's plan of operation shall be deemed not to be in compliance with the requirements of this section, and the issuer shall not be authorized to offer Medicare Select policies or certificates in this Commonwealth.

D. A Medicare Select issuer shall not issue a Medicare Select policy or certificate in this Commonwealth until its plan of operation has been approved by the State Corporation Commission.

E. A Medicare Select issuer shall file a proposed plan of operation with the State Corporation Commission in a format prescribed by the State Corporation Commission. The plan of operation shall contain at least the following information:

1. Evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

a. Services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community.

b. The number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:

(1) To deliver adequately all services that are subject to a restricted network provision; or

(2) To make appropriate referrals.

c. There are written agreements with network providers describing specific responsibilities.

d. Emergency care is available 24 hours per day and seven days per week.

e. In the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network

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providers prohibiting such providers from billing or otherwise seeking reimbursement from or recourse against any individual insured under a Medicare Select policy or certificate. This subdivision shall not apply to supplemental charges or coinsurance amounts as stated in the Medicare Select policy or certificate.

2. A statement or map providing a clear description of the service area.
3. A description of the grievance procedure to be utilized.
4. A description of the quality assurance program, including:
 - a. The formal organizational structure;
 - b. The written criteria for selection, retention, and removal of network providers; and
 - c. The procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted.
5. A list and description, by specialty, of the network providers.
6. Copies of the written information proposed to be used by the issuer to comply with subsection I of this section.
7. Any other information requested by the State Corporation Commission.

F. 1. A Medicare Select issuer shall file any proposed changes to the plan of operation, except for changes to the list of network providers, with the State Corporation Commission prior to implementing such changes. Such changes shall be approved or disapproved in writing by the State Corporation Commission within 30 days after receipt of a complete filing by the State Corporation Commission. Such changes shall be considered approved by the State Corporation Commission after 30 days unless specifically disapproved in writing. Within 10 days after approval of such changes by the State Corporation Commission, the issuer shall provide a copy of the approved changes to the Virginia Department of Health

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(VDH) at its Center for Quality Health Care Services and Consumer Protection. A copy of the notice to VDH shall be filed with the State Corporation Commission.

2. An updated list of network providers shall be filed with the State Corporation Commission at least quarterly.

G. A Medicare Select policy or certificate shall not restrict payment for covered services provided by non-network providers if:

1. The services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury or a condition; and
2. It is not reasonable to obtain such services through a network provider.

H. A Medicare Select policy or certificate shall provide payment for full coverage under the policy for covered services that are not available through network providers.

I. A Medicare Select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare Select policy or certificate to each applicant. This disclosure shall include at least the following:

1. An outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare Select policy or certificate with:
 - a. Other Medicare supplement policies or certificates offered by the issuer; and
 - b. Other Medicare Select policies or certificates.
2. A description (including address, phone number, and hours of operation) of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers.
3. A description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are utilized.
4. A description of coverage for emergency and urgently needed care and other out-of-service area coverage.

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5. A description of limitations on referrals to restricted network providers and to other providers.

6. A description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer.

7. A description of the Medicare Select issuer's quality assurance program and grievance procedure.

J. Prior to the sale of a Medicare Select policy or certificate, a Medicare Select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to subsection I of this section and that the applicant understands the restrictions of the Medicare Select policy or certificate.

K. A Medicare Select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. Such procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.

1. The grievance procedure shall be described in the policy and certificates and in the outline of coverage.

2. At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.

3. Grievances shall be considered in a timely manner and shall be transmitted to appropriate decision makers who have authority to fully investigate the issue and take corrective action.

4. If a grievance is found to be valid, corrective action shall be taken promptly.

5. All concerned parties shall be notified about the results of a grievance.

6. The issuer shall report no later than each March 31st to the State Corporation Commission regarding its grievance procedure. The report shall be in a format prescribed

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by the State Corporation Commission and shall contain the number of grievances filed in the past year and a summary of the subject, nature, and resolution of such grievances.

L. At the time of initial purchase, a Medicare Select issuer shall make available to each applicant for a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate otherwise offered by the issuer.

M. 1. At the request of an individual insured under a Medicare Select policy or certificate, a Medicare Select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make such policies or certificates available without requiring evidence of insurability after the Medicare Select policy or certificate has been in force for six months.

2. For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this subdivision, a significant benefit means coverage for the Medicare Part A deductible, coverage for prescription drugs, coverage for at-home recovery services or coverage for Part B excess charges.

N. Medicare Select policies and certificates shall provide for continuation of coverage in the event the Secretary determines that Medicare Select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare Select Program to be reauthorized under law or its substantial amendment.

1. Each Medicare Select issuer shall make available to each individual insured under a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which

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does not contain a restricted network provision. The issuer shall make such policies and certificates available without requiring evidence of insurability.

2. For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this subdivision, a significant benefit means coverage for the Medicare Part A deductible, coverage for prescription drugs, coverage for at-home recovery services or coverage for Part B excess charges.

O. A Medicare Select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare Select Program.

14 VAC 5-170-105. Guaranteed issue for eligible persons.

A. Guaranteed issue provisions follow:

1. Eligible persons are those individuals described in subsection B of this section who, subject to subdivision B 2 b, apply to enroll under the policy not later than 63 days after the date of the termination of enrollment described in subsection B, and who submit evidence of the date of termination or disenrollment with the application for a Medicare supplement policy.

2. With respect to eligible persons, an issuer shall not deny or condition the issuance or effectiveness of a Medicare supplement policy described in subsection C of this section that is offered and is available for issuance to new enrollees by the issuer, shall not discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care or medical condition, and shall not impose an

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exclusion of benefits based on a preexisting condition under such a Medicare supplement policy.

B. An eligible person is an individual described in any of the following subdivisions:

1. The individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare, and the plan terminates, or the plan ceases to provide substantially all such supplemental health benefits to the individual, ~~or the individual is enrolled under an employee welfare benefit plan that is primary to Medicare and the plan terminates or the plan ceases to provide all health benefits to the individual because the individual leaves the plan;~~

2.[a.] The individual is enrolled with a Medicare+Choice organization under a Medicare+Choice plan under Part C of Medicare, and any of the following circumstances apply, or the individual is 65 years of age or older and is enrolled with a Program of All Inclusive Care for the Elderly (PACE) provider under §1894 of the Social Security Act(42 USC § 1395eee), and there are circumstances similar to those described below that would permit discontinuance of the individual's enrollment with such provider if such individual were enrolled in a Medicare+Choice plan:

~~[a.(1)] The organization's or plan's certification under 42 USCS §§ 1395w-21 et seq.~~ certification of the organization or plan has been terminated or the organization or plan has notified the individual of an impending termination of such certification; or

~~[b.(2)]~~ The organization has been terminated or the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides, or has notified the individual of an impending termination or discontinuance of such plan;
or

~~b.[c.]~~ (3)] The individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the

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Secretary, but not including termination of the individual's enrollment on the basis described in § 1851 (g)(3)(B) of the federal Social Security Act (42 USC § 1395w-21) (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under § 1856 of the Social Security Act (42 USC § 1395w-26)), or the plan is terminated for all individuals within a residence area;

~~e.-(4)~~] The individual demonstrates, in accordance with guidelines established by the Secretary, that:

(~~1~~ a) The organization offering the plan substantially violated a material provision of the organization's contract under § 1859 of the Social Security Act (42 USCS §§ 1395w-21 et seq.) in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(~~2~~ b) The organization, or agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

~~d.-(5)~~] The individual meets such other exceptional conditions as the Secretary may provide.~~[including the following:]~~

[b] (1) An individual described in subdivision 2(e)(2)a of this subsection may elect to apply subsection A of this section by substituting, for the date of termination of enrollment, the date on which the individual was notified by the Medicare+Choice organization of the impending termination or discontinuance of the Medicare+Choice plan it offers in the area in which the individual resides, but only if the individual disenrolls from the plan as a result of such notification.

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(2) In the case of an individual making the election in subdivision 2[eb](1) of this subsection, the issuer involved shall accept the application of the individual submitted before the date of termination of enrollment, but the coverage under subsection A of this section shall only become effective upon termination of coverage under the Medicare+Choice plan involved[.÷]

3. a. The individual is enrolled with:

(1) An eligible organization under a contract under § 1876 (Medicare risk or cost);

(2) A similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(3) An organization under an agreement under § 1833(a)(1)(A) (health care prepayment plan); or

(4) An organization under a Medicare Select policy; and

b. The enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under subdivision B 2 of this section[.÷]

4. The individual is enrolled under a Medicare supplement policy and the enrollment ceases because:

a. (1) Of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(2) Of other involuntary termination of coverage or enrollment under the policy;

b. The issuer of the policy substantially violated a material provision of the policy; or

c. The issuer, or an agent or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual[.÷]

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5. a. The individual was enrolled under a Medicare supplement policy and terminates enrollment and subsequently enrolls, for the first time, with any Medicare+Choice organization under a Medicare+Choice plan under Part C of Medicare, any eligible organization under a contract under § 1876 (Medicare risk or cost), any similar organization operating under demonstration project authority, any PACE program under §1894 of the Social Security Act (42 USC § 1395eee) an organization under an agreement under § 1833(a)(1)(A)of the Social Security Act (42 USC § 1395) (health care prepayment plan), or a Medicare Select policy; and

b. The subsequent enrollment under subdivision 5 a of this subsection is terminated by the enrollee during any period within the first 12 months of such subsequent enrollment (during which the enrollee is permitted to terminate such subsequent enrollment under § 1851 (e) of the federal Social Security Act (42 USC § 1395w-21)~~[-; or]~~

6. The individual, upon first becoming ~~enrolled in~~ eligible for benefits under Part A of Medicare Part B for benefits at age 65 or older, enrolls in a Medicare+Choice plan under Part C of Medicare, or a PACE program under § 1894 of the Social Security Act (42 USC § 1395eee) and disenrolls from the plan or program by not later than 12 months after the effective date of enrollment.

C. The Medicare supplement policy to which eligible persons are entitled under:

1. Subdivisions B 1, 2, 3, and 4 of this section is a Medicare supplement policy which has a benefit package classified as Plan A, B, C or F offered by any issuer.

2. Subdivision B 5 of this section is the same Medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, a policy described in subdivision 1 of this subsection.

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3. Subdivision B 6 of this section shall include any Medicare supplement policy offered by any issuer.

D. Notification provisions are:

1. At the time of an event described in subsection B of this section because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of his rights under this section, and of the obligations of issuers of Medicare supplement policies under subsection A of this section. Such notice shall be communicated in writing contemporaneously with the notification of termination.

2. At the time of an event described in subsection B of this section because of which an individual ceases enrollment under a contract or agreement, policy or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of his rights under this section, and of the obligations of issuers of Medicare supplement policies under subsection A of this section. Such notice shall be communicated in writing within 10 working days of the issuer receiving notification of disenrollment.

14 VAC 5-170-120. Loss ratio standards and refund or credit of premium; annual filing; public hearing.

A. 1. Loss ratio standards. A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide

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coverage, to return to policyholders and certificateholders in the form of aggregate benefits (not including anticipated refunds or credits) provided under the policy form or certificate form:

a. At least 75% of the aggregate amount of premiums earned in the case of group policies; or

b. At least 65% of the aggregate amount of premiums earned in the case of individual policies,

calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for such period and in accordance with accepted actuarial principles and practices.

2. All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards.

3. For policies issued prior to July 30, 1992, expected claims in relation to premiums shall meet:

a. The originally filed anticipated loss ratio when combined with the actual experience since inception;

b. The appropriate loss ratio requirement from subdivisions 1 a and 1 b of this subsection when combined with actual experience beginning with July 1, 1991, to date; and

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c. The appropriate loss ratio requirement from subdivisions 1 a and 1 b of this subsection over the entire future period for which the rates are computed to provide coverage.

B. 1. Refund or credit calculation. An issuer shall collect and file with the State Corporation Commission by May 31 of each year the data contained in the applicable reporting form contained in Appendix A for each type in a standard Medicare supplement benefit plan.

2. If on the basis of the experience as reported the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation shall be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

3. For the purposes of this section, for policies or certificates issued prior to July 30, 1992, the issuer shall make the refund or credit calculation separately for all individual policies (including all group policies subject to an individual loss ratio standard when issued) combined and all other group policies combined for experience after April 28, 1996. The first such report shall be due by May 31, 1998.

4. A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the Secretary, but in no event shall it be less than the average rate of interest for 13-week Treasury notes. A refund or credit against premiums due shall be made by September 30 following the experience year upon which the refund or credit is based.

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C. Annual filing of premium rates. An issuer of Medicare supplement policies and certificates issued before or after July 30, 1992, in this Commonwealth shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy duration for approval by the State Corporation Commission in accordance with the filing requirements and procedures prescribed by the State Corporation Commission. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

The supporting documentation shall also include a certification by a qualified actuary that to the best of the actuary's knowledge and judgment, the following items are true with respect to the filing:

1. The assumptions present the actuary's best judgment as to the ~~expected~~ reasonable value for each assumption and are consistent with the issuer's business plan at the time of the filing;

2. The anticipated lifetime loss ratio, future loss ratios, and except for policies issued prior to July 30, 1992, third-year loss ratios all exceed the applicable ratio;

3. Except for policies issued prior to July 30, 1992, the filed rates maintain the proper relationship between policies which had different rating methodologies;

4. The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board, including the data quality standard of practice, as described at www.actuary.org;

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5. The filing is in compliance with the applicable laws and regulations in this Commonwealth; and

6. The premiums are reasonable in relation to the benefits provided.

As soon as practicable, but prior to the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this Commonwealth shall file with the State Corporation Commission, in accordance with the applicable filing procedures of this Commonwealth:

1. a. Appropriate premium adjustments necessary to produce loss ratios as anticipated for the current premium for the applicable policies or certificates. The supporting documents as necessary to justify the adjustment shall accompany the filing.

b. An issuer shall make such premium adjustments necessary to produce an expected loss ratio under the policy or certificate to conform with minimum loss ratio standards for Medicare supplement policies and which are expected to result in a loss ratio at least as great as that originally anticipated in the rates used to produce current premiums by the issuer for the Medicare supplement policies or certificates. No premium adjustment which would modify the loss ratio experience under the policy other than the adjustments described herein shall be made with respect to a policy at any time other than upon its renewal date or anniversary date.

c. If an issuer fails to make premium adjustments acceptable to the State Corporation Commission, the State Corporation Commission may order premium adjustments, refunds or premium credits deemed necessary to achieve the loss ratio required by this section.

2. Any appropriate riders, endorsements or policy forms needed to accomplish the Medicare supplement policy or certificate modifications necessary to eliminate benefit

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duplications with Medicare. The riders, endorsements or policy forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

D. Public hearings. The State Corporation Commission may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form issued before or after July 30, 1992, if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of any refund or credit for such reporting period. Public notice of the hearing shall be furnished in a manner deemed appropriate by the State Corporation Commission.

14 VAC 5-170-130. Filing and approval of policies and certificates and premium rates.

A. An issuer shall not deliver or issue for delivery a policy or certificate to a resident of this Commonwealth unless the policy form or certificate form has been filed with and approved by the State Corporation Commission in accordance with filing requirements and procedures prescribed by the State Corporation Commission.

B. An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule, and supporting documentation have been filed with and approved by the State Corporation Commission in accordance with the filing requirements and procedures prescribed by the State Corporation Commission.

The filing shall also include a certification by a qualified actuary that to the best of the actuary's knowledge and judgment, the following items are true with respect to the filing:

1. The assumptions present the actuary's best judgment as to the [expected reasonable] value for each assumption and are consistent with the issuer's business plan at the time of the filing;

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2. The anticipated lifetime loss ratio, future loss ratios, and except for policies issued prior to July 30, 1992, third-year loss ratio all exceed the applicable ratio;

3. The filing was prepared based on the current standards or practices as promulgated by the Actuarial Standards Board including the data quality standard of practice as described at www.actuary.org;

4. The filing is in compliance with applicable laws and regulations in this Commonwealth;
and

5. The premiums are reasonable in relation to the benefits provided.

C. 1. Except as provided in subdivision 2 of this subsection, an issuer shall not file for approval more than one form of a policy or certificate of each type for each standard Medicare supplement benefit plan.

2. An issuer may offer, with the approval of the State Corporation Commission, up to four additional policy forms or certificate forms of the same type for the same standard Medicare supplement benefit plan, one for each of the following cases:

- a. The inclusion of new or innovative benefits;
- b. The addition of either direct response or agent marketing methods;
- c. The addition of either guaranteed issue or underwritten coverage;
- d. The offering of coverage to individuals eligible for Medicare by reason of disability.

3. For the purposes of this section, a “type” means an individual policy, a group policy, an individual Medicare Select policy or a group Medicare Select policy.

D. 1. Except as provided in subdivision 1 a of this subsection, an issuer shall continue to make available for purchase any policy form or certificate form issued after July 30, 1992, that has been approved by the State Corporation Commission. A policy form or certificate

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form shall not be considered to be available for purchase unless the issuer has actively offered it for sale in the previous 12 months.

a. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the State Corporation Commission in writing its decision at least 30 days prior to discontinuing the availability of the form of the policy or certificate.

b. An issuer that discontinues the availability of a policy form or certificate form pursuant to subdivision 1 a of this subsection shall not file for approval a new policy form or certificate form of the same type for the same standard Medicare supplement benefit plan as the discontinued form for a period of five years after the issuer provides notice to the State Corporation Commission of the discontinuance. The period of discontinuance may be reduced if the State Corporation Commission determines that a shorter period is appropriate.

2. The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this subsection.

3. A change in the rating structure or methodology shall be considered a discontinuance under subdivision 1 of this subsection unless the issuer complies with the following requirements:

a. The issuer provides an actuarial memorandum, in a form and manner prescribed by the State Corporation Commission, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates.

b. The issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The State

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Corporation Commission may approve a change to the differential which is in the public interest.

E. 1. Except as provided in subdivision 2 of this subsection, the experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in 14 VAC 5-170-120.

2. Forms assumed under an assumption reinsurance agreement shall not be combined with the experience of other forms for purposes of the refund or credit calculation.

14 VAC 5-170-150. Required disclosure provisions.

A. General rules.

1. Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of such provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned ~~and~~ , shall appear on the first page of the policy, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age. Medicare supplement policies or certificates which are attained age rated shall include a clear and prominent statement, in at least 14 point type, disclosing that premiums will increase due to changes in age and the frequency under which such changes will occur.

2. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare

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benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy or certificate issue, any rider or endorsement which increases benefits or coverage with a concomitant increase in premium during the policy term shall be agreed to in writing signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies, or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.

3. Medicare supplement policies or certificates shall not provide for the payment of benefits based on standards described as “usual and customary,” “reasonable and customary” or words of similar import.

4. If a Medicare supplement policy or certificate contains any limitations with respect to preexisting conditions, such limitations shall appear as a separate paragraph of the policy and be labeled as “Preexisting Condition Limitations.”

5. Medicare supplement policies and certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificateholder shall have the right to return the policy or certificate within 30 days of its delivery and to have all premiums made for the policy refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.

6. Issuers of accident and sickness policies or certificates which provide hospital or medical expense coverage on an expense incurred or indemnity basis to a ~~person(s)~~ person or persons eligible for Medicare shall provide to those applicants a Guide to Health Insurance for People with Medicare in the form developed jointly by the National

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Association of Insurance Commissioners and the Health Care Financing Administration and in a type size no smaller than 12 point type. Delivery of the guide shall be made whether or not such policies or certificates are advertised, solicited or issued as Medicare supplement policies or certificates as defined in this chapter. Except in the case of direct response issuers, delivery of the guide shall be made to the applicant at the time of application and acknowledgment of receipt of the guide shall be obtained by the issuer. Direct response issuers shall deliver the guide to the applicant upon request but not later than at the time the policy is delivered.

For the purposes of this section, “form” means the language, format, type size, type proportional spacing, bold character, and line spacing.

B. Notice requirements.

1. As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificateholders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the State Corporation Commission. The notice shall:

a. Include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate, and

b. Inform each policyholder or certificateholder as to when any premium adjustment is to be made due to changes in Medicare.

2. The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.

3. Such notices shall not contain or be accompanied by any solicitation.

C. Outline of coverage requirements for Medicare Supplement Policies.

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1. Issuers shall provide an outline of coverage to all applicants at the time the application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgment of receipt of the outline from the applicant; and

2. If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany such policy or certificate when it is delivered and contain the following statement, in no less than 12 point type, immediately above the company name:

“NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued.”

3. The outline of coverage provided to applicants pursuant to this section consists of four parts: a cover page, premium information, disclosure pages, and charts displaying the features of each benefit plan offered by the issuer. The outline of coverage shall be in the language and format prescribed below in no less than 12 point type. All plans A- J shall be shown on the cover page, and the plan(s) that are offered by the issuer shall be prominently identified. Premium information for plans that are offered shall be shown on the cover page or immediately following the cover page and shall be prominently displayed. The premium and mode shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated.

4. The following items shall be included in the outline of coverage in the order prescribed in the following table.

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[COMPANY NAME]
Outline of Medicare Supplement Coverage-Cover Page:
Benefit Plan(s) _____[insert letter(s) of plan(s) being offered]

Medicare supplement insurance can be sold in only ten standard plans plus two high deductible plans.* This chart shows the benefits included in each plan. Every company must make available Plan “A.” Some plans may not be available in your state.

Basic Benefits: Included in all Plans.

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or in the case of hospital outpatient department services under a prospective payment system, applicable copayments.

Blood: First three pints of blood each year.

A	B	C	D	E	F	F*	G	H	I	J	J*
Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit		Basic Benefit	Basic Benefit	Basic Benefit	Basic Benefit	
		Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance		Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	Skilled Nursing Coinsurance	
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	
		Part B Deductible			Part B Deductible					Part B Deductible	
					Part B Excess (100%)		Part B Excess (80%)		Part B Excess (100%)	Part B Excess (100%)	
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	
			At-Home Recovery				At-Home Recovery		At-Home Recovery	At-Home Recovery	
								Basic Drug Benefit (\$1,250 Limit)	Basic Drug Benefit (\$1,250 Limit)	Extended Drug Benefit (\$3,000 Limit)	
				Preventive Care						Preventive Care	

* Plans F and J also have an option called a high deductible Plan F and a high deductible Plan J. These high deductible plans pay the same or offer the same benefits as Plans F and J after one has paid a calendar year ~~[\$1500]~~ [\$1580] deductible. Benefits from high deductible Plans F and J will not begin until out-of-pocket expenses are ~~[\$1500]~~ [\$1580]. Out-of-pocket expenses for this deductible are expenses that v ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but does not include, in Plan J, the plan’s separate prescription drug deductible or, in Plans F and J, the plan’s separate foreign travel emergency deductible.

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PREMIUM INFORMATION

Boldface Type

We [insert issuer's name] can only raise your premium if we raise the premium for all policies like yours in this Commonwealth. [If the premium is based on ~~the increasing~~ attained age of the insured, include the following information:

specifying when premiums will change;

the current premium for all ages;

a statement that premiums for other Medicare Supplement policies that are issue age or community rated do not increase due to changes in your age; and

a statement that while the cost of this policy at the covered individual's present age may be lower than the cost of a Medicare supplement policy that is based on issue age or community rated, it is important to compare the potential cost of these policies over the life of the policy.]

DISCLOSURES

Boldface Type

Use this outline to compare benefits and premiums among policies.

READ YOUR POLICY VERY CAREFULLY

Boldface Type

This is only an outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

RIGHT TO RETURN POLICY

Boldface Type

If you find that you are not satisfied with your policy, you may return it to [insert issuer's address]. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

POLICY REPLACEMENT

Boldface Type

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

NOTICE

Boldface Type

This policy may not fully cover all of your medical costs.

[for agents:]

Neither [insert company's name] nor its agents are connected with Medicare.

[for direct response:]

[insert company's name] is not connected with Medicare.

This outline of coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult ~~"The Medicare Handbook"~~ "Medicare & You" for more details.

COMPLETE ANSWERS ARE VERY IMPORTANT

Boldface Type

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy and refuse to pay any claims if you leave out or falsify important medical information. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

[Include for each plan prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments and insured payments for each plan, using the same language, in the same order, using uniform layout and format as shown in the charts below. No

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more than four plans may be shown on one chart. For purposes of illustration, charts for each plan are included in this regulation. An issuer may use additional benefit plan designations on these charts pursuant to 14 VAC 5-170-80.]

[Include an explanation of any innovative benefits on the cover page and in the chart, in a manner approved by the State Corporation Commission.]

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PLAN A

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$0 \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$764 <u>\$792</u> (Part A Deductible) \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 \$0 \$0	\$0 Up to \$95.50 <u>\$99</u> a day All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

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7/92

PLAN A

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% \$0	 \$100 (Part B Deductible) \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES -- BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE			
MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN B

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 \$0 \$0	\$0 Up to \$95.50 <u>\$99</u> a day All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN B

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% \$0	 \$100 (Part B Deductible) \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE			
MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN C

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN C

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$100 (Part B Deductible) Generally 20% \$0	 \$0 \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$100 (Part B Deductible) 20%	 \$0 \$0 \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN C (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment First \$100 of Medicare Approved Amounts*	\$0	\$100 (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

OTHER BENEFITS - NOT COVERED BY MEDICARE

FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN D

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN D

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% \$0	 \$100 (Part B Deductible) \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN D (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
AT-HOME RECOVERY SERVICES-NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
- Benefit for each visit	\$0	Actual Charges to \$40 a visit	Balance
- Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	\$0	Up to the number of Medicare-approved visits not to exceed 7 each week	
- Calendar year maximum	\$0	\$1,600	

OTHER BENEFITS - NOT COVERED BY MEDICARE

FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN E

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN E

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% \$0	 \$100 (Part B Deductible) \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE			
MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

PLAN E
OTHER BENEFITS - NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA First \$250 each calendar year Remainder of Charges	 \$0 \$0	 \$0 80% to a lifetime maximum benefit of \$50,000	 \$250 20% and amounts over the \$50,000 lifetime maximum
PREVENTIVE MEDICAL CARE BENEFIT * - NOT COVERED BY MEDICARE Some annual physical and preventive tests and services such as: digital rectal exam, hearing screening, dipstick urinalysis, diabetes screening, thyroid function test, tetanus and diphtheria booster and education, administered or ordered by your doctor when not covered by Medicare First \$120 each calendar year Additional charges	 \$0 \$0	 \$120 \$0	 \$0 All Costs

*Medicare benefits are subject to change. Please consult the latest Guide to Health Insurance for People with Medicare.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN F or HIGH DEDUCTIBLE PLAN F

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**This high deductible plan pays the same or offers the same benefits as Plan F after one has paid a calendar year ~~[\$1500]~~ [\$1580] deductible. Benefits from the high deductible Plan F will not begin until out-of-pocket expenses are ~~[\$1500]~~ [\$1580]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare- approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN F or HIGH DEDUCTIBLE PLAN F

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

**This high deductible plan pays the same or offers the same benefits as Plan F after one has paid a calendar year ~~[\$1500]~~ [\$1580] deductible. Benefits from the high deductible Plan F will not begin until out-of-pocket expenses are ~~[\$1500]~~ [\$1580]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$100 (Part B Deductible) Generally 20% 100%	 \$0 \$0 \$0
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$100 (Part B Deductible) 20%	 \$0 \$0 \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN F or HIGH DEDUCTIBLE PLAN F (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
HOME HEALTH CARE MEDICARE APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment First \$100 of Medicare Approved Amounts*	\$0	\$100 (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

OTHER BENEFITS - NOT COVERED BY MEDICARE

FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN G

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN G

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% 80%	 \$100 (Part B Deductible) \$0 20%
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN G (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE MEDICARE APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
AT HOME RECOVERY SERVICES-NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
- Benefit for each visit	\$0	Actual Charges to \$40 a visit	Balance
- Number of visits covered (must be received within 8 weeks of last Medicare approved visit)	\$0	Up to the number of Medicare approved visits not to exceed 7 each week	
- Calendar year maximum	\$0	\$1,600	

OTHER BENEFITS - NOT COVERED BY MEDICARE

FOREIGN TRAVEL - NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

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PLAN H

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN H

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% \$0	 \$100 (Part B Deductible) \$0 All Costs
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN H (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE MEDICARE APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare Approved Amounts*	\$0	\$0	\$100 (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

OTHER BENEFITS - NOT COVERED BY MEDICARE

FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum
BASIC OUTPATIENT PRESCRIPTION DRUGS – NOT COVERED BY MEDICARE			
First \$250 each calendar year	\$0	\$0	\$250
Next \$2,500 each calendar year	\$0	50% - \$1,250 calendar year maximum benefit	50%
Over \$2,500 each calendar year	\$0	\$0	All Costs

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN I

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

PLAN I

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$0 Generally 20% 100%	 \$100 (Part B Deductible) \$0 \$0
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$0 20%	 \$0 \$100 (Part B Deductible) \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN I (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
HOME HEALTH CARE MEDICARE APPROVED SERVICES - Medically necessary skilled care services and medical supplies - Durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	100% \$0 80%	\$0 \$0 20%	\$0 \$100 (Part B Deductible) \$0
AT HOME RECOVERY SERVICES-NOT COVERED BY MEDICARE Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan - Benefit for each visit - Number of visits covered (must be received within 8 weeks of last Medicare Approved visit) - Calendar year maximum	\$0 \$0 \$0	Actual Charges to \$40 a visit Up to the number of Medicare Approved visits not to exceed 7 each week \$1,600	Balance

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN I (continued)
OTHER BENEFITS - NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA First \$250 each calendar year Remainder of Charges*	 \$0 \$0	 \$0 80% to a lifetime maximum benefit of \$50,000	 \$250 20% and amounts over the \$50,000 lifetime maximum
BASIC OUTPATIENT PRESCRIPTION DRUGS - NOT COVERED BY MEDICARE First \$250 each calendar year Next \$2,500 each calendar year Over \$2,500 each calendar year	 \$0 \$0 \$0	 \$0 50% - \$1,250 calendar year maximum benefit \$0	 \$250 50% All Costs

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN J or HIGH DEDUCTIBLE PLAN J

MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD

*A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**This high deductible plan pays the same or offers the same benefits as Plan J after one has paid a calendar year ~~[\$1500]~~ [\$1580] deductible. Benefits from high deductible Plan J will not begin until out-of-pocket expenses are ~~[\$1500]~~ [\$1580]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate prescription drug deductible or the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
HOSPITALIZATION* Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61 st thru 90 th day 91 st day and after: - While using 60 lifetime reserve days - Once lifetime reserve days are used: -Additional 365 days -Beyond the Additional 365 days	All but \$764 <u>\$792</u> All but \$191 <u>\$198</u> a day All but \$382 <u>\$396</u> a day \$0 \$0	\$764 <u>\$792</u> (Part A Deductible) \$191 <u>\$198</u> a day \$382 <u>\$396</u> a day 100% of Medicare Eligible Expenses \$0	\$0 \$0 \$0 \$0 \$0 All Costs
SKILLED NURSING FACILITY CARE* You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare- approved facility within 30 days after leaving the hospital First 20 days 21 st thru 100 th day 101 st day and after	All approved amounts All but \$95.50 <u>\$99</u> a day \$0	\$0 Up to \$95.50 <u>\$99</u> a day \$0	\$0 \$0 All Costs

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN J or HIGH DEDUCTIBLE PLAN J (continued)

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
BLOOD First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
HOSPICE CARE Available as long as your doctor certifies you are terminally ill and you elect to receive these services	All but very limited coinsurance for outpatient drugs and inpatient respite care	\$0	Balance

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. ~~4/99~~ 9/01

PLAN J or HIGH DEDUCTIBLE PLAN J

MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR

*Once you have been billed \$100 of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

**This high deductible plan pays the same or offers the same benefits as Plan J after one has paid a calendar year ~~[\$1500]~~ [\$1580] deductible. Benefits from high deductible Plan J will not begin until out-of-pocket expenses are ~~[\$1500]~~ [\$1580]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate prescription drug deductible or the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
MEDICAL EXPENSES - IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment First \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts Part B Excess Charges (Above Medicare Approved Amounts)	 \$0 Generally 80% \$0	 \$100 (Part B Deductible) Generally 20% 100%	 \$0 \$0 \$0
BLOOD First 3 pints Next \$100 of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	 \$0 \$0 80%	 All Costs \$100 (Part B Deductible) 20%	 \$0 \$0 \$0
CLINICAL LABORATORY SERVICES - BLOOD TESTS FOR DIAGNOSTIC SERVICES	 100%	 \$0	 \$0

(continued)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN J or HIGH DEDUCTIBLE PLAN J (continued)
PARTS A & B

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
HOME HEALTH CARE MEDICARE-APPROVED SERVICES			
- Medically necessary skilled care services and medical supplies	100%	\$0	\$0
- Durable medical equipment			
First \$100 of Medicare		\$100 (Part B	
Approved Amounts*	\$0	Deductible)	\$0
Remainder of Medicare			
Approved Amounts	80%	20%	\$0
AT-HOME RECOVERY SERVICES-NOT COVERED BY MEDICARE			
Home care certified by your doctor, for personal care during recovery from an injury or sickness for which Medicare approved a Home Care Treatment Plan			
- Benefit for each visit	\$0	Actual Charges to \$40 a visit	Balance
- Number of visits covered (must be received within 8 weeks of last Medicare Approved visit)	\$0	Up to the number of Medicare Approved visits not to exceed 7 each week	
- Calendar year maximum	\$0	\$1,600	

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

PLAN J or HIGH DEDUCTIBLE PLAN J (continued)

OTHER BENEFITS - NOT COVERED BY MEDICARE

SERVICES	MEDICARE PAYS	AFTER YOU PAY \$1500 <u>\$1580</u> DEDUCTIBLE,** PLAN PAYS	IN ADDITION TO \$1500 <u>\$1580</u> DEDUCTIBLE,** YOU PAY
FOREIGN TRAVEL - NOT COVERED BY MEDICARE Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA First \$250 each calendar year Remainder of Charges	 \$0 \$0	 \$0 80% to a lifetime maximum benefit of \$50,000	 \$250 20% and amounts over the \$50,000 lifetime maximum
EXTENDED OUTPATIENT PRESCRIPTION DRUGS - NOT COVERED BY MEDICARE First \$250 each calendar year Next \$6,000 each calendar year Over \$6,000 each calendar year	 \$0 \$0 \$0	 \$0 50% - \$3,000 calendar year maximum benefit \$0	 \$250 50% All Costs
PREVENTIVE MEDICAL CARE BENEFIT- NOT COVERED BY MEDICARE*** Some annual physical and preventive tests and services such as: digital rectal exam, hearing screening, dipstick urinalysis, diabetes screening, thyroid function test, tetanus and diphtheria booster and education, administered or ordered by your doctor when not covered by Medicare First \$120 each calendar year Additional charges	 \$0 \$0	 \$120 \$0	 \$0 All Costs

***Medicare benefits are subject to change. Please consult the latest "Guide to Health Insurance for People with Medicare."

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

D. Notice regarding policies or certificates which are not Medicare supplement policies.

1. Any accident and sickness insurance policy or certificate issued for delivery in this Commonwealth to persons eligible for Medicare, other than a Medicare supplement policy, a policy issued pursuant to a contract under § 1876 of the Federal Social Security Act (42 USC § 1395 et seq.), a disability income policy, or other policy identified in 14 VAC 5-170-20 B shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy, or certificate delivered to insureds. The notice shall be in no less than 12 point type and shall contain the following language:

“THIS [POLICY OR CERTIFICATE] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company.”

2. Applications provided to persons eligible for Medicare for the health insurance policies or certificates described in subdivision 1 of this subsection shall disclose, using the applicable statement in Appendix C, the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

E. Notice requirements for attained age rated medicare supplement policies or certificates.

Issuers of Medicare supplement policies or certificates which use attained age rating shall provide a notice to all prospective applicants at the time the application is presented and except for direct response policies or certificates, shall obtain an acknowledgement of receipt of the notice from the applicant. The notice shall be in no less than 12 point type and shall contain the

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

information included in Appendix D. The notice shall be provided as part of, or together with, the application for the policy or certificate.

14 VAC 5-170-180. Standards for marketing.

A. An issuer, directly or through its producers, shall:

1. Establish marketing procedures to assure that any comparison of policies by its agents or other producers will be fair and accurate.

2. Establish marketing procedures to assure excessive insurance is not sold or issued.

3. Display prominently by type, stamp or other appropriate means, on the first page of the policy the following:

“Notice to buyer: This policy may not cover all of your medical expenses.”

4. Inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of any such insurance.

5. If the Medicare supplement policy or certificate uses attained age rating, all marketing materials or rate quotations other than the outline of coverage shall display prominently the following notice in close proximity to anywhere the insurer or agent displays a premium:

“Notice: This (policy’s/certificate’s) premium increases based on your attained age. Please read the *Notice For Attained Age Rated Medicare Supplement Policies carefully.*”

5-6. Establish auditable procedures for verifying compliance with subsection A of this section.

B. In addition to the practices prohibited in Chapter 5 (§ 38.2-500 et seq.) of Title 38.2 of the Code of Virginia, the following acts and practices are prohibited:

1. Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on or convert an insurance policy or to take out a policy of insurance with another insurer.

2. High pressure tactics. Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.

3. Cold lead advertising. Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company.

C. The terms “Medicare supplement,” “Medigap,” “Medicare Wrap-Around₁” and words of similar import shall not be used unless the policy is issued in compliance with this chapter.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Appendix D

<u>Notice For Attained Age Rated Medicare Supplement Policies</u>

Under Medicare supplement policies or certificates that use attained age rating, premiums automatically increase as you get older. You can expect your premiums to increase each year (or other frequency as established under the policy or certificate) due to changes in age.

Currently, the premiums for all ages under this policy (or certificate) are as follows:

(include current premiums for all ages)

The premiums for other Medicare Supplement policies that are issue age or community rated do not increase due to changes in your age.

[The following sentence shall be in boldface type] While the cost for a Medicare Supplement policy that is based on attained age may be lower than the cost of a Medicare Supplement policy that is issue age or community rated at your present age, it is important to compare the potential cost of these policies over the life of the policy.]

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

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APPENDIX A
MEDICARE SUPPLEMENT REFUND CALCULATION FORM
FOR CALENDAR YEAR

Type ¹ _____ SMSBP ² _____

FOR THE STATE OF _____

Company Name _____

NAIC Group Code _____ NAIC Company Code _____

Address _____

Person Completing This Exhibit _____

Title _____ Telephone Number _____

(a)

(b)

Earned

Incurred

Premium ³

Claims ⁴

line

1. Current Year's Experience

a. Total (all policy years)

b. Current year's issues ⁵

c. Net (for reporting purposes 1a - 1b)

2. Past Year's Experience

(All Policy Years)

3. Total Experience (Net Current Year + Past

Year's Experience)

4. Refund last year (Excluding Interest)

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

5. Previous Since Inception (Excluding Interest) _____

6. Refunds Since Inception (Excluding Interest)

7. Benchmark Ratio Since Inception

(See Worksheet for Ratio 1)

8. Experienced Ratio Since Inception

Total Actual Incurred Claims (line 3, col b) = Ratio 2

Total Earned Prem. (line 3, col a) - Refunds Since Inception (line 6)

9. Life Years Exposed Since Inception _____

If the Experienced Ratio is less than the Benchmark Ratio, and there are more than 500 life years exposure, then proceed to calculation of refund.

10. Tolerance Permitted (obtained from credibility table) _____

Medicare Supplement Credibility Table

Life Years Exposed

Since Inception	Tolerance
10,000 +	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%

If less than 500, no credibility

11. Adjustment to Incurred Claims for Credibility _____

Ratio 3 = Ratio 2 + Tolerance

If Ratio 3 is more than Benchmark Ratio (Ratio 1), a refund or credit to premium is not required.

If Ratio 3 is less than the Benchmark Ratio, then proceed.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

12. Adjusted Incurred Claims = _____

[Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)]

x Ratio 3 (line 11)

13. Refund = Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6) -

Adjusted Incurred Claims (line 12)

Benchmark Ratio (Ratio 1) _____

If the amount on the line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

¹ Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

² "SMSBP" = Standardized Medicare Supplement Benefit Plan

³ Includes modal loadings and fees charged.

⁴ Excludes Active Life Reserves.

⁵ This is to be used as "Issue Year Earned Premium" for Year 1
of next year's "Worksheet for Calculation of Benchmark Ratios"

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Signature

Name - Please Type

Title

Date

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

APPENDIX A

REPORTING FORM FOR THE CALCULATION OF
BENCHMARK RATIO SINCE INCEPTION
FOR GROUP POLICIES
FOR CALENDAR YEAR _____

Type ⁽¹⁾ _____ SMSBP ⁽²⁾ _____
FOR THE STATE OF _____
Company Name _____
NAIC Group Code _____ NAIC Company Code _____
Address _____
Person Completing This Exhibit _____
Title _____ Telephone Number _____

(a) ⁽³⁾ Year	(b) ⁽⁴⁾ Earned Premium	(c) Factor	(d) (b) x (c)	(e) Cumulative Loss Ratio	(f) (d) x (e)	(g) Factor	(h) (b) x (g)	(i) Cumulative Loss Ratio	(j) (h) x (i)	(o) ⁽⁵⁾ Policy Year Loss Ratio
1		2.770		0.507		0.000		0.000		0.46
2		4.175		0.567		0.000		0.000		0.63
3		4.175		0.567		1.194		0.759		0.75
4		4.175		0.567		2.245		0.771		0.77
5		4.175		0.567		3.170		0.782		0.8
6		4.175		0.567		3.998		0.792		0.82
7		4.175		0.567		4.754		0.802		0.84
8		4.175		0.567		5.445		0.811		0.87
9		4.175		0.567		6.075		0.818		0.88
10		4.175		0.567		6.650		0.824		0.88
11		4.175		0.567		7.176		0.828		0.88
12		4.175		0.567		7.655		0.831		0.88
13		4.175		0.567		8.093		0.834		0.89
14		4.175		0.567		8.493		0.837		0.89
15		4.175		0.567		8.684		0.838		0.89

Total: (k): _____ (l): _____ (m): _____ (n): _____

Benchmark Ratio Since Inception: $(l + n) / (k + m)$:

(1): Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

(2): "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans.

(3): Year 1 is the current calendar year - 1 Year 2 is the current calendar year - 2 (etc.)

(Example: If the current year is 1991, then: Year 1 is 1990, Year 2 is 1989, etc.)

(4): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

(5): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, here for informational purposes only.
on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown

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APPENDIX A

REPORTING FORM FOR THE CALCULATION OF
BENCHMARK RATIO SINCE INCEPTION
FOR INDIVIDUAL POLICIES
FOR CALENDAR YEAR _____

Type ⁽¹⁾ _____ SMSBP ⁽²⁾ _____
FOR THE STATE OF _____
Company Name _____
NAIC Group Code _____ NAIC Company Code _____
Address _____
Person Completing This Exhibit _____
Title _____ Telephone Number _____

(a) ⁽³⁾ Year	(b) ⁽⁴⁾ Earned Premium	(c) Factor	(d) (b) x (c)	(e) Cumulative Loss Ratio	(f) (d) x (e)	(g) Factor	(h) (b) x (g)	(i) Cumulative Loss Ratio	(j) (h) x (i)	(o) ⁽⁵⁾ Policy Year Loss Ratio
1		2.770		0.442		0.000		0.000		0.4
2		4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15		4.175		0.493		8.684		0.725		0.77

Total: (k): _____ (l): _____ (m): _____ (n): _____

Benchmark Ratio Since Inception: $(l + n) / (k + m)$:

(1): Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

(2): "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans.

(3): Year 1 is the current calendar year - 1 Year 2 is the current calendar year - 2 (etc.)

(Example: If the current year is 1991, then: Year 1 is 1990, Year 2 is 1989, etc.)

(4): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

(5): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for informational purposes only.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

7/92

APPENDIX B

FORM FOR REPORTING MEDICARE SUPPLEMENT POLICIES

Company Name _____

Address _____

Phone Number _____

Due: March 1, annually

The purpose of this form is to report the following information on each resident of this state who has in force more than one Medicare supplement policy or certificate. The information is to be grouped by individual policyholder.

Policy and Certificate #

Date of Issuance

Signature

Name and Title (please type)

Date

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

DISCLOSURE STATEMENTS

Instructions for Use of the Disclosure Statements for
Health Insurance Policies Sold to Medicare Beneficiaries
that Duplicate Medicare

1. Section 1882(d) of the federal Social Security Act of 1935 (42 USC 1395ss) prohibits the sale of a health insurance policy (the term policy or policies includes certificates) that duplicate Medicare benefits unless it will pay benefits without regard to other health coverage, and it includes the prescribed disclosure statement on or together with the application.
2. All types of health insurance policies that duplicate Medicare shall include one of the attached disclosure statements, according to the particular policy type involved, on the application or together with the application. The disclosure statement may not vary from the attached statements in terms of language or format (type size, type proportional spacing, bold character, line spacing, and usage of boxes around text).
3. State and federal law prohibits insurers from selling a Medicare supplement policy to a person who already has a Medicare supplement policy except as a replacement.
4. Property/casualty and life insurance policies are not considered health insurance.
5. Disability income policies are not considered to provide benefits that duplicate Medicare.
6. Long-term care insurance policies that coordinate with Medicare and other health insurance are not considered to provide benefits that duplicate Medicare.
7. The federal law does not pre-empt state laws that are more stringent than the federal requirements.
8. The federal law does not pre-empt existing state form filing requirements.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

9. Section 1882 of the federal Social Security Act was amended in subsection (d)(3)(A) thereof to allow for alternative disclosure statements. The disclosure statements already in Appendix C remain. Carriers may use either disclosure statement with the requisite insurance product. However, carriers should use either the original disclosure statements or the alternative disclosure statements and not use both simultaneously.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for policies that provide benefits for expenses incurred for an accidental injury only.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>
--

This is not Medicare Supplement Insurance

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses that result from accidental injury. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when it pays:

- hospital or medical expenses up to the maximum stated in the policy

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- other approved items and services

<p>Before You Buy This Insurance</p>

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for policies that provide benefits for specified limited services.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>
--

This is not Medicare Supplement Insurance

This insurance provides limited benefits, if you meet the policy conditions, for expenses relating to the specific services listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when:

- any of the services covered by the policy are also covered by Medicare

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- other approved items and services

<p>Before You Buy This Insurance</p>

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for policies that reimburse expenses incurred for specified disease(s) or other specified impairment(s). This includes expense incurred cancer, specified disease, and other types of health insurance policies that limit reimbursement to named medical conditions.]

<p style="text-align: center;">IMPORTANT NOTICE TO PERSONS ON MEDICARE THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>

This is not Medicare Supplement Insurance

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses only when you are treated for one of the specific diseases or health conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when it pays:

- hospital or medical expenses up to the maximum stated in the policy

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for policies that pay fixed dollar amounts for specified diseases or other specified impairments. This includes cancer, specified disease, and other health insurance policies that pay a scheduled benefit or specific payment based on diagnosis of the conditions named in the policy.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>
--

This is not Medicare Supplement Insurance

This insurance pays a fixed amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits because Medicare generally pays for most of the expenses for the diagnosis and treatment of the specific conditions or diagnosis named in the policy.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for policies that provide benefits for both expenses incurred and fixed indemnity basis.]

<p style="text-align: center;">IMPORTANT NOTICE TO PERSONS ON MEDICARE THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>

This is not Medicare Supplement Insurance

This insurance pays limited reimbursement for expenses if you meet the conditions listed in the policy. It also pays a fixed amount, regardless of your expenses, if you meet other policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when:

- any expenses or services covered by the policy are also covered by Medicare; or
- it pays the fixed dollar amount stated in the policy and Medicare covers the same event

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.]

<p style="text-align: center;">IMPORTANT NOTICE TO PERSONS ON MEDICARE THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>

This is not Medicare Supplement Insurance

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when:

- any expenses or services covered by the policy are also covered by Medicare

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

<p style="text-align: center;">Before You Buy This Insurance</p>

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement Insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Rev. 1/99

APPENDIX C

[Original disclosure statement for other health insurance policies not specifically identified in the previous statements.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</p>
--

This is not Medicare Supplement Insurance

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

This insurance duplicates Medicare benefits when it pays:

- the benefits stated in the policy and coverage for the same event is provided by Medicare
- Medicare generally pays for most or all of these expenses.**

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

<p>Before You Buy This Insurance</p>

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

1/99

APPENDIX C

[Alternative disclosure statement for policies that provide benefits for expenses incurred for an accidental injury only.]

IMPORTANT NOTICE TO PERSONS ON MEDICARE
THIS IS NOT MEDICARE SUPPLEMENT INSURANCE

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses that result from accidental injury. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

Before You Buy This Insurance

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

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APPENDIX C

[Alternative disclosure statement for policies that provide benefits for specified limited services.]

IMPORTANT NOTICE TO PERSONS ON MEDICARE
THIS IS NOT MEDICARE SUPPLEMENT INSURANCE

Some health care services paid for by Medicare may also trigger the payment of benefits under this policy.

This insurance provides limited benefits, if you meet the policy conditions, for expenses relating to the specific services listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

Before You Buy This Insurance

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

1/99

APPENDIX C

[Alternative disclosure statement for policies that reimburse expenses incurred for specified diseases or other specified impairments. This includes expense-incurred cancer, specified disease, and other types of health insurance policies that limit reimbursement to named medical conditions.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</p>

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy. Medicare generally pays for most or all of these expenses.

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses only when you are treated for one of the specific diseases or health conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

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APPENDIX C

[Alternative disclosure statement for policies that pay fixed dollar amounts for specified diseases or other specified impairments. This includes cancer, specified disease, and other health insurance policies that pay a scheduled benefit or specific payment based on diagnosis of the conditions named in the policy.]

IMPORTANT NOTICE TO PERSONS ON MEDICARE

THIS IS NOT MEDICARE SUPPLEMENT INSURANCE

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance pays a fixed amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

1/99

APPENDIX C

[Alternative disclosure statement for indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</p>

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

1/99

APPENDIX C

[Alternative disclosure statement for policies that provide benefits upon both an expense-incurred and fixed indemnity basis.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</p>

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance pays limited reimbursement for expenses if you meet the conditions listed in the policy. It also pays a fixed amount, regardless of your expenses, if you meet other policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

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APPENDIX C

[Alternative disclosure statement for other health insurance policies not specifically identified in the preceding statements.]

<p>IMPORTANT NOTICE TO PERSONS ON MEDICARE</p> <p>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</p>

Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

Medicare generally pays for most or all of these expenses.

Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:

- hospitalization
- physician services
- hospice care
- other approved items and services

This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

APPENDIX C

Before You Buy This Insurance

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

RULES GOVERNING MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT POLICIES

Appendix D

<u>Notice About Attained Age Rated Medicare Supplement Policies</u>

Under Medicare supplement policies or certificates that use attained age rating, premiums automatically increase as you get older. You can expect your premiums to increase each year (or other frequency as established under the policy or certificate) due to changes in age.

Currently, the premiums for all ages under this policy (or certificate) are as follows:

(include current premiums for all ages)

The premiums for other Medicare Supplement policies that are issue age or community rated do not increase due to changes in your age.

[The following sentence shall be in boldface type] While the cost for a Medicare Supplement policy that is based on attained age may be lower than the cost of a Medicare Supplement policy that is based on an issue age or community rating methodology at your present age, it is important to compare the potential cost of these policies over the life of the policy.]